

ISSUES

Did the Department properly determine that Petitioner owes the Department a debt of \$2,130.00 for FAP benefits that were overpaid to Petitioner from September 1, 2022, to March 31, 2023, due to a client error?

Did the Department properly determine that Petitioner owes the Department a debt of \$1,382.00 for FAP benefits that were overpaid to Petitioner from April 1, 2023, to August 31, 2023, due to an agency error?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On REDACTED 2022, Petitioner applied for FAP benefits for a household size of 1. Petitioner reported no employment or income.
2. On August 2, 2022, Petitioner completed an interview with the Department and reported no employment or income.
3. On August 2, 2022, the Department mailed a Notice of Case Action to Petitioner to notify Petitioner that Petitioner was approved for a FAP benefit of \$250.00 per month from September 1, 2022, to August 31, 2023, based on REDACTED income. Further, the Department advised Petitioner to report all changes in household income and employment to the Department within 10 days of the date of the change.
4. Subsequently, Petitioner began employment at REDACTED (d/b/a REDACTED) and began receiving earned income from this employment on July 27, 2022.
5. From September 2022 and from November 2022 to March 2023, Petitioner received the following gross income from Petitioner's employment at REDACTED:
 - a. September 2022 - REDACTED
 - b. November 2022 - REDACTED
 - c. December 2022 - REDACTED
 - d. January 2023 - REDACTED
 - e. February 2023 - REDACTED
 - f. March 2023 - REDACTED

6. The Department was unaware of Petitioner's employment income, so the Department continued to pay FAP benefits to Petitioner without considering this income.
7. From September 1, 2022, to September 30, 2022, and November 1, 2022, to March 31, 2023, Petitioner received from the Department FAP benefits of \$345.00 from September 1, 2022, to September 30, 2022; \$376.00 per month from November 1, 2022, to February 28, 2023; and \$281.00 from March 1, 2023, to March 31, 2023.
8. The Department recalculated Petitioner's FAP benefit amount from September 1, 2022, to March 31, 2023, by budgeting Petitioner's income. The Department determined that Petitioner was not eligible for any FAP benefits from September 1, 2022, to March 31, 2023.
9. On or around January 16, 2023, the Department became aware of Petitioner's unreported income from REDACTED via a wage match report.
10. The Department failed to act on the January 16, 2023, wage match report.
11. From April 2023 to August 2023, Petitioner received the following gross income from Petitioner's employment at REDACTED:
 - a. April 2023 - REDACTED
 - b. May 2023 - REDACTED
 - c. June 2023 - REDACTED
 - d. July 2023 - REDACTED
 - e. August 2023 - REDACTED
12. From April 2023 to August 2023, the Department failed to consider Petitioner's employment income, so the Department continued to pay FAP benefits to Petitioner without considering this income.
13. From April 1, 2023, to August 31, 2023, Petitioner received from the Department FAP benefits of \$281.00 per month.
14. The Department recalculated Petitioner's FAP benefit amount from April 1, 2023, to August 31, 2023, by budgeting Petitioner's income. The Department determined that Petitioner was eligible for FAP benefits of \$23.00 from April 1, 2023, to April 30, 2023, and REDACTED per month from May 1, 2023, to July 31, 2023.
15. The Department determined that Petitioner was overpaid \$2,130.00 in FAP benefits from September 1, 2022, to September 30, 2022, and

November 1, 2022, to March 31, 2023, due to client error, and \$1,382.00 in FAP benefits from April 1, 2023, to August 31, 2023, due to Agency error.

16. On December 2, 2025, the Department notified Petitioner of the overpayment.

17. On January 23, 2026, Petitioner requested a hearing to dispute the overpayment.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The FAP is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

In this case, the Department determined that it overpaid FAP benefits to Petitioner because it did not properly budget Petitioner's group's income. When a client receives more benefits than a client was entitled to receive, the Department must attempt to recoup the overpayment. BAM 700 (June 1, 2024), p. 1. When an overpayment of more than \$250.00 occurs, the Department must pursue recoupment, regardless of whether fault lies with the Agency or by client error. *Id.* at p. 5. The overpayment amount is the amount of benefits in excess of the amount the client was eligible to receive. *Id.* at p. 2. Based on the evidence presented, the Department overpaid FAP benefits to Petitioner.

From September 1, 2022, to September 30, 2022, and November 1, 2022, to March 31, 2023, Petitioner received \$2,130.00 in FAP benefits. The Department paid these FAP benefits to Petitioner without properly budgeting Petitioner's income. This caused the Department to pay Petitioner more FAP benefits than Petitioner was eligible to receive. The overpayment was due to Petitioner's error because Petitioner did not report Petitioner's income in a timely manner. Based on Petitioner's income, Petitioner was not eligible for any FAP benefits from September 1, 2022, to September 30, 2022, and November 1, 2022, to March 31, 2023. Thus, Petitioner was overpaid \$2,130.00 in FAP benefits from September 1, 2022, to September 30, 2022, and November 1, 2022, to March 31, 2023.

From April 1, 2023, to August 31, 2023, Petitioner received \$1,382.00 in FAP benefits. The Department became aware of Petitioner's employment income via a January 16, 2023, wage match report, but did not properly budget the income reported. The Department presented sufficient evidence to establish that the total amount overpaid was \$2,130.00 from September 1, 2022, to September 30, 2022, and November 1, 2022, to March 31, 2023, and \$1,382.00 from April 1, 2023, to August 31, 2023, and Petitioner did not present any evidence to rebut the Department's

evidence. Therefore, I must find that the Department properly determined that Petitioner owes the Department a debt of \$2,130.00 from September 1, 2022, to September 30, 2022, and November 1, 2022, to March 31, 2023; and \$1,382.00 from April 1, 2023, to August 31, 2023.

In this case, the Department properly instructed Petitioner of the requirements to report changes in Petitioner's income and no evidence was presented to show that the Department's actions were improper.

DECISION AND ORDER

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with its policies and the applicable law when it determined that Petitioner owes the Department a debt of \$2,130.00 for FAP benefits that were overpaid to Petitioner from September 1, 2022, to September 30, 2022, and November 1, 2022, to March 31, 2023; and \$1,382.00 from April 1, 2023, to August 31, 2023.

Accordingly, the Department's decision is **AFFIRMED**.